GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4598
ANSWERED ON:25.04.2008
TRADING WITHOUT LISTING
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that some transactions in shares are taking place without listing at stock exchanges during the last one year;

(b) if so, the details thereof; and

(c) penal action taken/proposed to be taken in this regard?

Answer

MINISTER OF STATE FOR FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c): Certain media reports have been commenting upon existence of the `grey market` prior to the listing of the shares on the stock exchanges. Such transactions take place outside the stock exchange mechanism. SEB1 believes that it is beyond its jurisdiction. In order to curb transactions in shares of IPOs during the pre-listing period, the depositories have been advised by SEBI that in case of IPOs they shall activate the ISINs only on the date of commencement of trading on the stock exchanges.